

Message Text

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ORIGIN OPIC-06

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DRAFTED BY: OPIC/ID/MEA:JCTROY

APPROVED BY: EB/IFD/ OIA:RJSMITH

EB/IDF/OIA:DHSTEBBING

OPIC/ID/MEA:CHMIDDLETON

AF/E: HHJANIN

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R 232219Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA

UNCLAS STATE 016461

E.O. 11652: N/A

TAGS: EINV, ZA

SUBJECT: ENVIROTECH PETITION FOR FOREIGN GOVERNMENT APPROVAL
FOR OPIC INSURANCE; GOZ APPROVAL PROCEDURES FOR OPIC PROJECTS.

REF: LUSAKA 1010

1. OPIC RECORDS REFLECT EMB INSTRUCTIONS (USAID LETTER SEPTEMBER 10, 1970) THAT PETITIONS FOR GOZ FOREIGN GOVERNMENT APPROVAL (FGA) FOR OPIC GUARANTIES OR INSURANCE SHOULD BE ADDRESSED TO MINISTRY OF COMMERCE, INDUSTRY AND FOREIGN TRADE, ATTN. PERMANENT SECRETARY, P.O. BOX 1968, LUSAKA.

2. DURING OPIC OFFICER TROY VISIT TO LUSAKA BRIAN HESHON, ENVIROTHECH REPRESENTATIVE, ADVISED TROY THAT HE HAS BEEN ADVISED BY GOZ THAT CHILESHE OF MINISTRY MINING AND INDUSTRY HAD SUPERSEDED MINCOM AS ZAMBIAN AGENT RESPONSIBLE FOR CONSIDERING AND ISSUING OPIC FGAS.

3. OPIC VERY CONCERNED BY GOZ INACTION ON PETITION BY ENVIROTECH FOR APPROVAL OF EXPANSION OF EIMCO (INTERAFRICA) LTD., FOR SALES MINING EQUIPMENT AND SPARE PARTS IN ZAMBIA. ORIGINAL ENVIROTECH PETITION DATES BACK TO JUNE 1973, AND SUBSEQUENT CORRESPONDENCE UNCLASSIFIED

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HAS NOT RESULTED IN DEFINITIVE ACTION ON REQUEST FOR FGA.

ACCORDING TO HESHON COPIES OF FGA PETITION PREVIOUSLY SUBMITTED TO MINCOM WERE FURNISHED TO CHILESHE, MINMINING AND INDUSTRY, ON NOVEMBER 6, 1974, AND DURING MEETING WITH HESHON ON DECEMBER 2 CHILESHE PROMISED EARLY ACTION ON REQUEST.

4. OPIC WOULD APPRECIATE EMBASSY ASSISTANCE IN SECURING DEFINITIVE REPLY FROM GOZ ON THIS MATTER. AS DISCUSSED DURING TROY VISIT LETTER FROM EMBASSY TO APPROPRIATE GOZ AGENCY ALONG FOLLOWING LINES MAY HELP IN SECURING REPLY FROM GOZ:

"THE ENVIROTECH CROP., A US COMPANY, HAS ADVISED THE EMBASSY OF THEIR PENDING REQUEST FOR APPROVAL OF THEIR ADDITIONAL INVESTMENT IN EIMCO (INTERAFRICA) LTD., UNDER THE BILATERAL AGREEMENT DATED AUGUST 11, 1966, BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ZAMBIA RELATING TO GUARANTIES OF US INVESTMENTS IN ZAMBIA. IN ACCORDANCE WITH THE AGREEMENT, US INVESTORS MUST OBTAIN APPROVAL OF THEIR PROJECT FOR PURPOSES OF OPIC INSURANCE FROM THE GOVERNMENT OF ZAMBIA BEFORE THEY MAY BE CONSIDERED FOR INVESTMENT INSURANCE OR GUARANTIES.

"THE ENVIROTECH PETITION FOR APPROVAL OF THEIR INVESTMENT HAS BEEN PENDING SINCE JUNE 22, 1973, BUT TO DATE THEY HAVE NOT RECEIVED NOTICE OF YOUR GOVERNMENT'S DECISION WITH RESPECT TO THEIR APPLICATION.

"IT WOULD BE APPRECIATED IF YOU WOULD ADVISE US OF THE STATUS OF THIS MATTER."

5. OPIC ALSO REQUESTS EMBASSY CLARIFICATION AND INSTRUCTION SOONEST WHICH GOZ MINISTRY NOW RESPONSIBLE FOR GENERAL FGAS OF OPIC PROJECTS. IF GOZ REQUIRES MINMINING APPROVAL OF ENVIROTECH EXPANSION, SUCH APPROVAL SHOULD NOT BE CONFUSED WITH A SEPARATE FGA APPROVAL REQUIRED UNDER 1966 INVESTMENT GUARANTY AGREEMENT. IF INFO ABOVE PARA 2 CORRECT, SINGLE APPROVAL SHOULD CITE APPROVAL FOR OPIC PURPOSES AS WELL AS GENERAL APPROVAL PROJECT. KISSINGER

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Disposition Case Number: n/a
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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